

PAR
CONTRACTUAL DISPUTED ISSUES MATRIX
AT&T/SWBT INTERCONNECTION AGREEMENT - ARKANSAS
UNBUNDLED NETWORK ELEMENTS

Issue:	Attachment and Sections	AT&T: Reason why language should be included or excluded	AT&T Language	SWBT: Reason why language should be included or excluded	SWBT Language
		The Agreement addresses limitation of liability and indemnification in the General Terms and Conditions. Disagreements between the parties on those issues should be resolved there. There is no reason to provide special protection for SWBT as a UNE supplier in connection with operator services, directory assistance, or call-related databases (LIDB, CNAM). Under the General Terms and Conditions, SWBT will receive the benefit of whatever limits of liability AT&T provides to protect itself in its retail tariffs and contracts. AT&T has proposed contract language in the UNE provisions related to operator services, directory assistance, and call-related databases that refers issues of liability limitations and indemnification to the General Terms and Conditions of the Agreement. That is where the overall risk allocation under the Agreement should be properly provided for.	<u>7.3.7 Limitation of Liability and Indemnification</u> <u>Indemnification and limitation of liability provisions covering the matters addressed in this Attachment are contained in the General Terms and Conditions portion of this Agreement.</u> <u>9.5.3.10 Indemnification and limitation of liability provisions covering the matters addressed in this Attachment are contained in the General Terms and Conditions portion of this Agreement.</u>		
9. Ordering connected elements: <u>AT&T:</u> When AT&T orders elements that are already connected and functional, may SWBT collect non-recurring charges for those elements even though	Appendix Pricing UNE, sections 3.1 and 3.2 See Issue 9, page 10, Matrix B, for a discussion of this issue.	The Commission ruled that "An end user that chooses to switch LECs should not be penalized for that decision through delays, excess charges, or unnecessary inconvenience." (order p. 12). In adopting SWBT's LBO on "as is" ordering, the Commission stated that service interruptions to end users should be avoided wherever possible and that the "end user should not be	<u>3.1 Without limitation of the combination of elements that AT&T may order, the Parties acknowledge that AT&T may convert a SWBT end-user customer or an AT&T (or other LSP) resale customer to service provided by AT&T through unbundled Network Elements. In those situations when AT&T orders all the SWBT Network Elements required to provide service to that customer without any change in</u>	AT&T's proposed language attempts to alter the "as is" portion of the Order. Phrases such as "currently interconnected and functional" and "platform of services" are simply other words for "as is" conversion to UNEs. Although it does not cover SWBT's costs and is subject to the development of a new cost based rate, the \$5.00 customer change charge clearly applies to resold services, not UNEs.	<u>3.1 The Parties acknowledge that AT&T may convert a SWBT end-user customer or an AT&T (or other LSP) resale customer to service provided by AT&T through unbundled Network Elements. In those situations when AT&T orders all the SWBT Network Elements required to provide service to that customer without any change in features or functionality from the service that</u>

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Issue:	Attachment and Sections	Reason why language should be included or excluded AT&T Language	Reason why language should be included or excluded SWBT Language
<p>no work is required other than order processing?</p> <p>SWBT: Should AT&T be entitled to the benefits of operating in a UNE rather than a resale environment without bearing the costs and risks of doing so? Should AT&T be allowed to circumvent the as is ruling of the Commission?</p>		<p>penalized for choosing a different service provider." Id. At 20. SWBT's proposed charges for establishing service for AT&T customers, as well as their intention to disconnect service for no reason save their own internal business processes, subverts the Commission's intent. (In recent weeks, SWBT has begun to state that it will not cause service outages; however in SWBT's Arkansas LBO, it specifically states that SMAS test points will be inserted, which SWBT personnel have stated will cause outages of an average of thirty minutes. SWBT has not changed its position in insisting on moving UNEs to SARTS/MLT testing, and has not identified how it will provide testing out of that system without intrusively inserting SMAS test points.)</p> <p>One likely use of unbundled network elements for a new entrant is to order from the ILEC the complete combination of elements needed in order to deliver telecommunications service to a retail customer through a physical configuration of network facilities that is unchanged from the facilities that serve the customer today. By ordering the local loop and local switch port that serve that customer and using those elements in combination with the common network elements to which they are already interconnected (e.g., common transport, signaling and</p>	<p>features or functionality from the service that was being provided to <u>that customer</u> at the time of the order, there will be no unnecessary interruption of service to the end-user customer. For orders covered by this section <u>the only nonrecurring charge to AT&T will be a Provider Change Charge of \$12.00 for manual orders and \$5.00 for electronic orders</u> (pursuant to section I, paragraph 7 of the Arbitrator's Order dated February 28, 1997.</p> <p>3.2 <u>Without limitation of the combinations of elements that AT&T may order, the Parties acknowledge that AT&T may order all the SWBT Network Elements required to convert a SWBT end-user customer or an AT&T resale customer to AT&T unbundled Network Elements service without any change in features or functionality that was being provided by SWBT (or by AT&T on a resale basis) at the time of the order, except for the change needed to route the customer's operator service and directory assistance calls to the AT&T OS/DA platform via customized routing and/or changes needed in order to change a local switching feature, e.g., call waiting. For orders covered by this section, the only</u></p>
			<p>was being provided at the time of the order, there will be no unnecessary interruption of service to the end-user customer. For orders covered by this section, AT&T will pay a Provider Change Charge of \$12.00 (pursuant to section I, paragraph 7 of the Arbitrator's Order dated February 28, 1997), in addition to other applicable charges (e.g., feature activation charges, service order charges.) In addition, SWBT objects to the inclusion of AT&T's proposed language in 3.2.</p>

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		<p>databases, tandem switching), the new entrant can deliver the same end-to-end service that had been provided by the ILEC. Through such a UNE "platform", AT&T and other CLECs may obtain the benefits of cost-based pricing, creating the opportunity for more competitive retail pricing offers, and giving it the flexibility to design customized offers, particularly for vertical services. A UNE platform also is the means by which a new entrant may offer services that are differentiated from the ILEC's services, without having to duplicate the ILEC's existing network at the time of entry. With time and development of the customer base, the new entrant can substitute its own facilities more broadly. The UNE platform creates an economic, marketing, and technical basis for transition to facilities-based competition.</p> <p>By adopting the LBO of AT&T ("there should be no restrictions on its ability to combine network elements;" order at p. 28), this Commission joined the FCC and each of the other state commissions in SWBT's traditional local service territory in concluding that AT&T (and other CLECs) may purchase and use the UNE platform for competitive entry, without a requirement that it own its own facilities. See FCC Order, ¶ 331; Texas Arbitration Award at 6; Kansas</p>	<p><u>nonrecurring charge to AT&T will be a provider change charge of \$12.00 for manual orders and \$5.00 for electronic orders. This section only applies to orders involving customized routing after customized routing has been established to an AT&T OS/DA platform from the relevant SWBT local switch, including AT&T's payment of all applicable charges to establish that routing. There will be no interruption of service to the end-user customer in connection with orders covered by this section, except for processing time that is technically necessary to execute the appropriate recent change order in the SWBT local switch. SWBT will treat recent change orders necessary to provision AT&T orders under this section at parity with recent change orders executed to serve SWBT end-user customers, in terms of scheduling necessary service interruptions so as to minimize inconvenience to end-user customers.</u></p>

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		<p>Arbitration Order at 43; Missouri Arbitration Order at 13; Oklahoma Arbitration Order at 5.</p> <p>SWBT has aggressively opposed the UNE platform in this arbitration and others. It has appealed the Texas award, complaining that it authorizes "sham unbundling." SWBT's legal opposition to the UNE platform has carried over into contract negotiations. SWBT has been unwilling to agree to reasonable contract provisions that will enable AT&T to implement UNE platform purchases, and it has adopted an operational plan for implementing UNE service that will place CLECs who use the UNE platform at a significant competitive disadvantage.</p> <p>In attempting to put into contract terms AT&T's right to order the complete combination of network elements needed to provide end-to-end service to a customer, the Parties have reached two chief areas of disagreement. The first is SWBT's assertion that it may collect nonrecurring charges for orders that do not cause SWBT any one-time expenses other than service order processing expenses (which AT&T will pay). The second is SWBT's unwillingness to commit that it will not interrupt service to customers who convert to AT&T UNE service, even though interruption is</p>	

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		<p>technically unnecessary. (See Matrix B, Issue 9 for a discussion of this issue.)</p> <p><u>Application of unjustified nonrecurring charges and service order charges</u></p> <p>In the arbitration award, it was ruled that "Allowing nonrecurring charges to be recovered over a reasonable period of time and ensuring that such charges are imposed equitably among new entrants is reasonable" (order at p.23.) See UNE Issue No. 14 for a complete discussion of AT&T's objections to SWBT's methodology in conforming to the arbitration award and to its persistent listing of NRCs for some items. AT&T has proposed contract language providing that it will not pay nonrecurring charges when it orders elements or combinations that are interconnected and functional at the time of the order (called "Contiguous Network Interconnection of Network Elements). See Appendix Pricing UNE, section 3.1; Attachment 7, section 6.12. Specifically, when AT&T orders all the SWBT network elements required to provide service to a customer without any change in features or functionality, AT&T will pay either a \$5.00 service order charge for electronic orders or a \$12.00 charge for manual orders, but will not pay other nonrecurring</p>			

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		charges. See Appendix Pricing UNE, section 3.1. Converting the SWBT loop and switch port to UNE service for AT&T requires no activity on SWBT's part other than service order processing. Accordingly, that is the only nonrecurring charge AT&T should pay for such orders. The nonrecurring component should be backed out of the recurring charge element prices for these sorts of orders.			
		<p>The same \$ 5.00 service electronic order processing charge or \$12.00 manual order processing charge should apply, with no other nonrecurring charges, where the only change to the facilities providing the customer's service is the change required to change a feature or to route the customer's OS/DA calls to AT&T via customized routing that already has been established in the local switch. See Appendix Pricing UNE, section 3.2. The only SWBT activity required in this situation (other than service order processing) is execution of a "recent change order" in the local switch, which takes a fraction of a second of computer processing time.</p> <p>SWBT, on the other hand, proposes to collect the equivalent of a loop nonrecurring charge of \$47.45, the analog switch port nonrecurring charge of \$80.50 (all of which are</p>			

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		<p>now captured and, to an extent, hidden, in the recurring rates), and a \$ 60.00 service order processing charge, to do nothing more than convert a loop and switch port that are delivering POTS service to a customer today to an AT&T UNE-based service that will continue service to that customer with no immediate change in features or the underlying facilities. It would, in defiance of the Commission's order, add a \$ 2.80 charge for each feature added at the time of conversion. SWBT insists on collecting these nonrecurring element charges even though such orders require no physical or software change to the elements that are delivering telephone service to the customer. Applying nonrecurring charges to such orders would violate the cost-based pricing standard of section 252(d)(1) of the Act. (Feature activation pricing is addressed elsewhere).</p> <p>The only expense related to such orders, other than service order processing, that SWBT has alluded to during negotiations is the expense of installing a test point in the local loop. However, there is no technical necessity to install a test point in connection with such orders. SWBT could continue to provide automated testing for the loop through the Mechanized Loop Testing system</p>			

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		<p>(MLT) in the local switch. Continued MLT testing for loop/switch combination orders would provide greater assurance that the elements through which AT&T provides services will perform and be maintained at the same level that SWBT maintains those facilities in delivering POTS service to its own customers. It also will avoid unnecessary SWBT work and costs at the time of converting a customer to AT&T UNE service.</p> <p>SWBT plans to install loop test points for loop/switch combination orders, not because it is technically necessary, but because SWBT has made an internal business and operations decision to treat all UNE purchases as special designed services. SWBT POTS circuits that today are maintained under its Local Maintenance Operation System (LMOS) with MLT testing as described above will be transferred to its non-automated Work Force Administration (WFA) system when converted to UNE service. Administering UNE circuits under WFA raises a host of serious concerns about CLEC customers receiving UNE-based POTS service that is inferior in quality and maintenance to the POTS service SWBT provides through the same physical facilities. For present purposes it suffices to say that there</p>			

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		<p>is no technical or legal necessity for transferring local loops and switch ports that are ordered in combination to the WFA system, and therefore no technical or legal necessity to install a SMAS test point in connection with such orders. The cost of installing SMAS test points for loop/switch combination orders is driven entirely by SWBT's internal business purposes, not anything caused by the order itself. That cost cannot be used to justify application of nonrecurring charges for such orders.</p> <p>In order to give practical effect to the Commission's well-supported decision that the Act permits CLECs to order unbundled elements in any combination, and in order to meet the cost-based pricing standard for UNEs that the Act requires, the Commission should accept AT&T's proposed contract language clarifying that nonrecurring charges, other than the \$ 5.00 service order processing charge for electronic orders and \$12.00 charge for manual orders, will not apply to the combination orders described in Appendix Pricing UNE, sections 3.1 and 3.2.</p>			
10. Should the contract provide the option to purchase local loops with and without automated	Attachment 6, section 11.3 and 11.3.1.	On page 22 of the Award, the Commission awarded AT&T the full functionality of UNEs. That means that AT&T should not have to pay for redundant testing when it owns its	<u>11.3 Cross connects associated with unbundled local loops are available with or without automated testing and monitoring capability. When AT&T orders a</u>	The issue is not whether AT&T	SWBT objects to the inclusion of AT&T's proposed language in 11.3 and 11.3.1.

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testing and monitoring capability?		<p>own switch, nor should it have to pay for unwanted SMAS test points when using UNE switching. Further, on page 57 of the Award, the Commission accepts AT&T's LBO, which states that AT&T may order UNEs with more or less capability than SWBT provides to itself.</p> <p>AT&T has proposed to include in the contract a provision that would make unbundled loop cross connects available with and without automated testing. This provision also would allow AT&T to order a loop and switch port combination with automated loop testing provided through the local switch and to avoid installation of a loop test point. See Attachment 6, section 11.3.</p> <p>The reasons for this provision are two-fold. First, when AT&T wishes to combine an unbundled local loop with its own facilities, it has no need for SWBT to provide automated testing. It will supply its own loop testing in those circumstances. When that is the case, the cross connect will be nothing more than a piece of wire between the loop and AT&T's collocation cage. There can be no cost justification for requiring AT&T in these circumstances to pay the recurring charge proposed by SWBT of \$5 (that also includes nonrecurring elements) for loop cross connects - analog loop to collocation (2-wire). Loop cross-connects</p>	<p><u>local loop and switch port in combination, SWBT will, at AT&T's request, provide automated loop testing through the Local Switch rather than install a loop test point. If AT&T uses its own testing and monitoring services, SWBT will treat AT&T test reports as its own for purposes of procedures and time intervals for clearing trouble reports.</u></p> <p><u>11.3.1 The Arkansas Commission ordered unbundling of the local loop element, but the rates approved by the Arkansas Commission did not include an explicit rate for loop cross connects without automated testing and monitoring capability. When AT&T purchases loop cross connects without automated testing and monitoring capability, it will pay the rates and charges shown on Appendix Pricing UNE-Schedule of Prices and labeled "Loop Cross Connects w/o Automated Testing," as agreed to by the Parties, or as may otherwise be ruled by the Arkansas Commission, subject to section 1.3 of Appendix Pricing - UNE.</u></p>	<p>should be allowed to purchase unbundled local loops with and without automated testing. AT&T clearly wants automated testing. AT&T is making another attempt to treat UNEs as resold services and require SWBT to offer automated MLT testing as part of the switch port. If AT&T wants the benefits of UNEs, it should bear the costs such as providing testing according to the specifications AT&T seeks to establish for its own quality of service standards.</p>	

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		<p>without automated testing should be available at no charge in order to provide AT&T with full access to unbundled loops on terms that are just, reasonable, and nondiscriminatory and that meet the Act's cost-based pricing standard. (See UNE Issue 14 for a full discussion of nonrecurring element pricing.)</p> <p>Second, for the reasons described above in connection with ordering connected elements (UNE Issue 9) installation of a SMAS test point causes unnecessary activity by SWBT (and gives rise to its assertion of a non-recurring charge) and results in unnecessary customer service interruption when AT&T orders local loop and local switch port combinations. To obtain access to loop and switch combinations at parity with SWBT itself, and to receive full functionality of the switch itself, AT&T should be able to specify that those combinations will continue to be tested through the local switch's remote testing capability, rather than through installation of a loop cross connect test point.</p>			

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12. AT&T: What time should be specified for AT&T audits of LIDB accounts against its billing system? SWBT: How long should AT&T have to correct errors detected in data it submits to SWBT's Line Information Data Base?	Attachment 6, Section 9.4.5.2.3	On page 23 and 24 of the Award, the Commission ordered databases to be unbundled. This issue represents a detail involved in the unbundling of LIDB which has become a stumbling block in the implementation of the Award. Under Section 9.4.5.2.3 of Attachment 6, the Parties have agreed that AT&T will audit its LIDB accounts against its own billing system and correct any discrepancies. AT&T has proposed language that would require it to audit these accounts within a reasonable time from receipt of the audit file. A reasonableness standard is appropriate for this requirement, until AT&T has an experience base that may make it prudent to agree to a more specific time frame.	9.4.5.2.3 AT&T will audit its LIDB accounts against AT&T's billing system and correct any discrepancies within a <u>reasonable time</u> from the receipt of the audit file. <u>Six months after AT&T's first use of LIDB under this Agreement, the Parties will specify the time that will thereafter be required for correcting discrepancies under the preceding sentence. The Parties expect that the time frame to be specified will be 14 days, unless AT&T's experience during the initial six months demonstrates that a longer time is warranted.</u> AT&T will correct all discrepancies using the LVAS interface(s) AT&T has requested under this Attachment.	Companies that use LIDB rely on it to be accurate and up to date. If the data is faulty, then companies making the queries will be given incorrect information. Errors expose these companies to fraud. Therefore, it is critically important that the data submitted to the LIDB is accurate and that errors be corrected promptly.	SWBT objects to the inclusion of AT&T's proposed language in 9.4.5.2.3.
14. UNE Pricing - Non-Compliance with Arbitration Order	Appendix Pricing UNE, Sections 1.3 and Schedule of Prices (not reproduced here)	In the arbitration award, it was ruled that "Allowing nonrecurring charges to be recovered over a reasonable period of time and ensuring that such charges are imposed equitably among new entrants is reasonable" (order at p.23.) Accordingly, SWBT was to have recalculated its nonrecurring charges as part of the recurring charges for the elements in its revised pricing schedule which is included in this contract. SWBT provided to AT&T	1.3 The pricing rates and charges, terms and conditions reflected herein and on Appendix Pricing UNE - Schedule of Prices are subject to modification, consistent with future FCC and Arkansas Commission proceedings. Each rate or charge on the Schedule of Prices is identified in one of three ways, corresponding to the Parties' agreement or disagreement regarding such rate or charge as	See the discussion of the many aforementioned pricing issues in which AT&T seeks to circumvent normal cost based principles.	SWBT objects to AT&T's proposed language relating to this issue.

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PART C
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		<p>the cost calculations underlying their revisions. AT&T does not agree that SWBT has accurately followed the Commission's instructions in that regard. AT&T has provided, on the Schedule of Prices, in bold and underlined language, its calculation of the correct revised numbers under the Commission's Order (of course, AT&T disagrees fundamentally with the embedded cost pricing allowed by the Commission, contrary to the Act. AT&T's comments here are confined to SWBT's miscalculation of prices, taking the Commission's Order as a given). For example, SWBT has double-counted its nonrecurring charges: It recovers the cost of service turnup in the element cost itself, through application of equipment maintenance and support access cost factors, then adds in the nonrecurring costs back in on top of that. SWBT has also incorrectly recalculated the cost of capital and failed to eliminate the inflation factor in some of its prices. AT&T has identified these errors in a memorandum that is being filed separately.</p> <p>In addition, for items such as multiplexing, signaling, and call-related databases SWBT has evidently assumed that it may still charge nonrecurring charges, and continues to include them on the pricing schedule. See Appendix</p>	<p>follows:</p> <p>(1) "Agreed" rates or charges have been negotiated and agreed to by the Parties.</p> <p>(2) "Ordered" rates or charges are rates that SWBT has calculated in response to the February 28, 1997, Order of the Arkansas Commission in Docket No. 96-395-U. <u>SWBT states that it calculated these rates by taking the rates from the Springfield schedules attached to SWBT's last best offer and then adjusting those rates to meet the requirements of page 34 of that Order and to eliminate non recurring charges as provided for at page 23 of the Order.</u> Subject to verification by the APSC that SWBT's calculation of these rates conforms to the Order, AT&T will pay the "Ordered" rates where it purchases the elements to which those rates apply. If the APSC determines, or the Parties agree, that changes are required to any of the Ordered rates in order to meet the requirements of the February 28, 1997 Order, any <u>Interim billing and payments will be adjusted correspondingly. In the cases where AT&T and SWBT interpret the ordered rates differently, this is noted as "2 but disputed."</u></p> <p>(3) "Additional" rates or charges relate to proposed rate elements that</p>		

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		<p>Pricing UNE-Schedule of Prices, showing SWBT proposed NRCs for multiplexing signaling (point code addition, global title translation), LIDB and CNAM (service order charges, line validation administration system charges). (SWBT also unexplainably continues to include NRCs for interoffice transport, an item that did appear in SWBT's LBO and was thus clearly covered by the Commission's order to eliminate NRCs.) SWBT also continues to propose feature activation charges, in defiance of the Commission's order. SWBT's narrow interpretation of the Commission's NRC ruling as relating only to individual elements listed in the SWBT LBO, rather than applying those Commission decisions as overarching principles, serves to retain artificially high prices and to delay competition in the local market, while these disputed issues are argued.</p> <p>Section 1.3 of Appendix Pricing UNE captures the fact that much UNE pricing remains in dispute. For those rates that were ordered in this proceeding, the parties have agreed that SWBT's recalculation of rates should be verified to confirm compliance with the Commission's Order. AT&T has proposed language recognizing that these calculations are in dispute. For all of the disputed rates, ordered and</p>	<p>were not expressly identified in the rates ordered by the Arkansas Commission. For additional rates, the first rate shown is the rate that SWBT has proposed for that item. The second rate shown, if any, is the rate that AT&T has proposed. When the second rate shown is "NA," no payment is proposed by AT&T for this rate element.</p> <p><u>Both parties reserve the right to challenge any of the rates and rate structures shown as disputed or additional in an appropriate proceeding before the State Commission.</u></p>		

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Issue	Attachment and Sections	AT&T Reason why language should be included or excluded	AT&T Language	SWBT Reason why language should be included or excluded	SWBT Language
		additional, AT&T requests a ruling by the APSC consistent with the reasons presented here and throughout the pricing discussion under UNE Issue No. 4 and its subparts. AT&T's contract language and recalculated prices should be accepted.			
16. AT&T: For toll-free calls originated by AT&T local customers on a UNE switch, should AT&T collect the applicable charges from the IXC who terminates the call to the 800 provider, assuming AT&T also pays applicable UNE charges to SWBT? SWBT: Where AT&T is the toll free carrier, should it be allowed to avoid access charges for the query and local switching services that SWBT performs when an AT&T local customer makes a toll free call?	Appendix Pricing, UNE, Section 5.2.2.3 Attachment 6 - section 9.6.5	The Commission ruled that AT&T should receive the full functionality of UNEs on page 22 of the Award. The provision of exchange access services is part of that full functionality, and is addressed here. For the same reasons that AT&T is entitled to bill access charges to IXCs for toll calls originated and terminated over unbundled network elements (see UNE Issue 15), it should be the party billing applicable charges associated with 800-type calls originated over UNEs by its local service customers. AT&T should pay the applicable charges for the elements required to make such a call (local switching, applicable signaling, 800 database query) and then it, not SWBT, should bill the IXC who terminates the call to the 800 provider. (The only exception to this would be in the case where the IXC has contracted to SWBT or another party, not to AT&T for transport access.) Otherwise, AT&T is denied the opportunity to use the elements that it has purchased for the provision of a telecommunications service (800	<u>5.2.2.3 When AT&T uses ULS Ports to initiate an 800-type call, AT&T will perform the appropriate database query and route the call to the indicated IXC. ULS-O charges will apply.</u> 9.6.5 In addition to the Toll Free Database query, there are three optional features available with 800-type service: Designated 10-Digit Translation, Call Validation and Call Handling and Destination. There is no additional charge for the Designated 10-Digit Translation and Call Validation feature beyond the Toll Free Database query charge. When an 800-type call originates from an AT&T switch or from <u>AT&T's use of Unbundled Local Switching</u> to the SWBT Toll Free Database, AT&T will pay the Toll Free Database query rate for each query received and processed by SWBT's database subject to section 1.3 of Appendix Pricing UNE. When applicable, the charge for the Call Handling and Destination feature are per query and in addition to the Toll Free Database query charge, and	When calls come in from an LSP customer, there will be no change from the current process. The same services will be performed and SWBT will bill the IXC, not the LSP.	9.6.5 In addition to the Toll Free Database query, there are three optional features available with 800-type service: Designated 10-Digit Translation, Call Validation and Call Handling and Destination. There is no additional charge for the Designated 10-Digit Translation and Call Validation feature beyond the Toll Free Database query charge. When an 800-type call originates from an AT&T switch to the SWBT Toll Free Database, AT&T will pay the Toll Free Database query rate for each query received and processed by SWBT's database subject to section 1.3 of Appendix Pricing UNE. When applicable, the charge for the Call Handling and Destination feature are per query and in addition to the Toll Free Database query charge, and will also be paid by AT&T. The Toll Free Database charges do not apply when AT&T uses SWBT's Unbundled Local Switching. These rates are reflected in Appendix Pricing UNE - Schedule of Prices under the label "Toll-

Key: **Bold & underline represents language proposed by AT&T and opposed by SWBT.**

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Issue	Attachment and Sections	AT&T Reason why language should be included or excluded	AT&T Language	SWBT Reason why language should be included or excluded	SWBT Language
		<p>service), on the same terms as SWBT.</p> <p>SWBT instead proposes to retain the 800 service for itself, and in turn would not bill AT&T any UNE usage charges when an AT&T customer originates an 800-type call across a UNE switch. SWBT states that its facilities are not equipped to return a call to AT&T for completion after an 800 database dip. Regardless of any technical issues, however, the parties can arrange billing for 800 calls in the manner proposed by AT&T. In so doing they will come closer to providing AT&T with the full nondiscriminatory access to unbundled elements that the Act requires.</p>	<p>will also be paid by AT&T. These rates are reflected in Appendix Pricing UNE - Schedule of Prices under the label "Toll-Free Database," subject to section 1.3 of Appendix Pricing UNE.</p>		<p>Free Database.</p> <p>In addition, SWBT objects to the inclusion of AT&T's proposed language in 5.2.2.3 of Appendix Pricing.</p>
17. Should the temporary ULS rate structure proposed by SWBT be subject to a certain end date and reasonable audit provisions?	Appendix Pricing UNE, Sections 5.3.1 and 5.3.5	<p>The Commission ruled on UNE pricing on page 33-34 of the Award. This Temporary ULS structure was not part of that award, yet SWBT seeks to impose it indefinitely here.</p> <p>According to SWBT, its systems development has not yet progressed to the point that it is able to measure terminating usage associated with unbundled local switching and, in some circumstances, originating usage. See Appendix Pricing UNE, Section 5.3.1). It had expressed confidence that it will have completed the systems development to achieve those capabilities prior to the end of 1997. Recently, SWBT has stated that its system</p>	<p>5.3.1 As of the Effective Date of this Agreement, SWBT is unable to measure terminating usage associated with unbundled Local Switching and in certain circumstances originating usage associated with unbundled Local Switching. Once SWBT has the ability to measure such usage, the standard interim rate structure for ULS described above will become effective. During the time period prior to the implementation of the Standard Interim Rate Structure the following temporary ULS Rate structure will apply. <u>By December 31, 1997, or by another date as the Parties may otherwise agree, SWBT will cease to use the</u></p>	<p>In principle, SWBT agrees that all parties need to have access to information to verify the accuracy of bills. However, provisions on this issue are found in the terms and conditions and to not need to be replicated here. SWBT is currently unable to measure usage associated with unbundled local switching. This is an industry wide problem which AT&T has acknowledged as such to SWBT. Standard interim rate structure was established to take effect after SWBT obtains the ability to measure this usage. Meanwhile, a temporary rate was negotiated to approximate the standard rate. The temporary rate is to apply until such time as the standard interim rate is</p>	<p>5.3.1 As of the Effective Date of this Agreement, SWBT is unable to measure terminating usage associated with unbundled Local Switching and in certain circumstances originating usage associated with unbundled Local Switching. Once SWBT has the ability to measure such usage, the standard interim rate structure for ULS described above will become effective. During the time period prior to the implementation of the Standard Interim Rate Structure the following temporary ULS Rate structure will apply.</p> <p>In addition, SWBT objects to the inclusion of AT&T's proposed language in 5.3.5.</p>

Key: **Bold & underline represents language proposed by AT&T and opposed by SWBT.**

7/25/97

Bold represents language proposed by SWBT and opposed by AT&T.

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CONTRACTUAL DISPUTED ISSUES MATRIX
AT&T/SWBT INTERCONNECTION AGREEMENT - ARKANSAS
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Issue	Attachment and Sections	AT&T Reason why language should be included or excluded	AT&T Language	SWBT Reason why language should be included or excluded	SWBT Language
		<p>development in this area has failed. Meanwhile, however, it states that it is unable to implement the interim rate structure that the parties have otherwise agreed to (with certain exceptions) for applying usage sensitive UNE charges when AT&T has purchased unbundled local switching (this structure is the "Standard Interim Rate Structure for ULS" provided for in Section 5.2 of Appendix Pricing UNE).</p> <p>SWBT has proposed a "Temporary ULS Rate Structure" for use until it develops the capability to measure the terminating and originating usage referred to above. Under the proposed temporary structure, AT&T will pay a surrogate charge for all completed calls originated from an unbundled switch port purchased by AT&T and terminating at a different switch. This formula consists of the following: two times the local switching rate, plus one times the common transport rate, plus .3 times the tandem switching rate, for each minute of use. See Attachment 6, Section 5.3.3.</p> <p>This surrogate formula is undesirable as anything more than a short-term patch. AT&T is amenable to an estimated rate for tandem switching, and has offered a "blended transport" rate consisting of 3 times the tandem switch rate plus one times the common transport rate in recent discussions. The</p>	<p><u>temporary ULS Rate Structure.</u></p> <p><u>5.3.5 SWBT will provide access to information necessary to verify the accuracy of the bills that AT&T receives.</u></p>	<p>implemented. AT&T seeks to add language that would terminate the temporary rate as of December 31, 1997. If SWBT is unable to implement the measured rate by then, SWBT would have no rate to charge and AT&T would enjoy free local switching.</p>	

Key: **Bold & underline represents language proposed by AT&T and opposed by SWBT.**

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Issue	Attachment and Sections	AT&T Reason why language should be included or excluded	AT&T Language	SWBT Reason why language should be included or excluded	SWBT Language
		<p>troublesome aspect of the Temporary ULS structure lies in its inability to record terminating switching usage. To the extent it prevents AT&T from billing terminating access charges that it is entitled to under the Act (and following the conclusion of the Cost Study proceeding), it will improperly restrict AT&T's use of the UNE elements it purchases.</p> <p>These problems notwithstanding, AT&T has agreed to try the Temporary ULS Rate Structure in Arkansas as a short-term compromise. However, AT&T should receive some corresponding assurance that this structure will indeed be short-term. AT&T has proposed contract language that would require SWBT to cease use of this rate structure by December 31, 1997, unless the parties agree to another date. A year-end deadline is consistent with SWBT's stated expectations of when it will change over from the temporary structure to the interim standard structure. (In matrices filed in Texas, SWBT states that it still plans to be able to measure traffic by year-end.) That mutual expectation should be given force in the contract.</p> <p>Because of its concerns about the accuracy and application of the formula, AT&T has included language that will provide it access</p>			

Key: **Bold & underline represents language proposed by AT&T and opposed by SWBT.**

7/25/97

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CONTRACTUAL DISPUTED ISSUES MATRIX
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Issue	Attachment and Sections	AT&T Reason why language should be included or excluded	AT&T Language	SWBT Reason why language should be included or excluded	SWBT Language
		to any information needed to verify related billing. Because the temporary ULS rate structure should be a unique structure that will only last a short time, it is reasonable to provide for this limited audit capability, apart from the annual audit provisions in the General Terms and Conditions.			
18. UNE Pricing -- UNE Service Order Charges	Appendix Pricing UNE, Section 3.3.	<p>The Commission said on page 12 of the award that "An end user that chooses to switch LECs should not be penalized for that decision through delays, excess charges, or unnecessary inconvenience." Here, SWBT seeks to impose excess service order charges.</p> <p>The parties have agreed to definitions of UNE order types in Section 3.3 of Appendix Pricing UNE. Based on the Commission's ruling regarding electronic and manual customer change charges, AT&T has proposed contract language limiting UNE service order processing charges to those amounts. The basis for SWBT's objection to this language is unclear. In any event, the Commission should accept AT&T's proposed language and order charges until the interfaces are in place and appropriate cost studies can be presented. With SWBT proposing an Interim charge of \$ 60.00 for most UNE orders (see Appendix Pricing UNE - Schedule of Prices at "Service Order Charges - Unbundled</p>	3.3 SWBT proposes the following order types subject to section 1.3 of this Attachment. <u>No service order charge applies to these orders except, when applicable, the Provider Change Charge:</u>	The \$5.00 charge referred to by AT&T relates to resale, not to UNEs. SWBT has proposed cost based rates for simple and complex UNE service orders. AT&T's failure to pay these costs for services it obtains from SWBT would create an improper subsidy to AT&T's local exchange service by SWBT and its customers.	3.3 When a SWBT provided tariffed or resold service is replaced by an AT&T facility based service using any SWBT provided unbundled network elements (including service provided exclusively via SWBT provided UNE), a disconnect order will be issued by SWBT on the SWBT service and a new connect order will be issued by SWBT (with an appropriate service order charge to AT&T being generated) for the requested network elements. Similarly, when an end user served by one LSP using SWBT provided UNE is converted to a different LSP's service which also uses any SWBT provided UNE, a disconnect order will be issued by SWBT (with an appropriate service order charge being generated) for the existing UNE and a new connect order will be issued by SWBT (with an appropriate service order charge being generated) for the new UNE.

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Issue	Attachment and Sections	AT&T Reason why language should be included or excluded	AT&T Language	SWBT Reason why language should be included or excluded	SWBT Language
		<p>Element"), whatever interim charge is established must be subject to review and true-up if AT&T is to be provided "with realistic means of competing against Incumbents," as Congress intended. FCC Order at ¶ 268. (See generally UNE Issue No. 4 - Pricing).</p> <p>AT&T has proposed the arbitrated \$12.00 charge for manual orders and \$5.00 charge for electronically processed orders (although AT&T expects to show in the permanent price proceedings that such a charge is grossly excessive for electronic service orders) SWBT's proposed range of charges (\$60.00- \$240.00) should be rejected.</p>			
21. UNE Ordering and Provisioning - Should the Contract Require SWBT to Provide AT&T with Information on Switch Capability that is available to SWBT?	Attachment 7, Section 3.8.4	<p>On page 22 of the award, the Commission awarded AT&T the full functionality of UNEs. Here, AT&T seeks to differentiate its service and avail itself of the full functionality of the UNE switching element, not just those features that SWBT currently provides its customers</p> <p>AT&T has proposed contract language that will require SWBT to provide it with a detailed list of all services, features, functions and capabilities of each local switch, by switch CLI and NPA NXX. SWBT opposes providing information about any switch service or feature capabilities that are not currently activated and working.</p>	<u>3.8.4 a list of all services and features, functions and capabilities of each switch that SWBT may use to provide a Local Switching Element, by switch CLI and NPA NXX, including, but not limited to, type of switching equipment installed version of software generic, secured features, identification of any software or hardware constraints or enhancements, and a means to reliably correlate a customer address with the data. Within ten (10) business days after the Effective Date of the Agreement, SWBT will provide AT&T an initial electronic copy of this</u>	For UNE functionality, SWBT intends for LSPs to reference those retail features and services that are available from SWBT's switch (via preordering interfaces or these back up lists) and merge that again with what is available from their contract language regarding features and services possible via UNE and combinations. If a UNE feature is contractually available, but not listed on the retail availability list, SWBT will investigate the LSP request on an ICB to determine if the feature is technically supportable from that switch.	3.8.4 A list of all services and features activated and working for each switch that SWBT may use to provide a Local Switching Element, by switch CLI and NPA NXX. With ten (10) business days after the effective date of the Agreement, SWBT will provide AT&T an initial electronic copy of this information. SWBT will provide a complete update of the information to AT&T electronically on a quarterly basis, or as AT&T may otherwise request. If AT&T requests more than one update in any quarter, a charge may apply for each such additional request. The parties agree to negotiate in good faith whether and to what

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Issue	Attachment and Sections	AT&T Reason why language should be included or excluded	AT&T Language	SWBT Reason why language should be included or excluded	SWBT Language
		SWBT's position again denies AT&T full access to UNE functionality and the information necessary to provide competitive services to customers through unbundled network elements. SWBT's position is self-contradictory and cannot be sustained. SWBT complains (incorrectly) that the UNE platform is "sham unbundling" and nothing more than resale service. Then, when AT&T requests to include a contract provision that is important to its ability to create services that are differentiated from the incumbent's, SWBT resists. SWBT is wrong on both counts. AT&T is entitled to know what the capabilities of the unbundled local switches are, so that it may plan and design competitive services. That information is available to SWBT. It should be available to AT&T. AT&T's proposed Section 3.8.4 should be accepted.	<u>Information. SWBT will provide a complete update of the information to AT&T electronically on a quarterly basis, or as AT&T may otherwise request. If AT&T requests more than one update in any quarter, a charge may apply for each such additional request. The Parties agree to negotiate in good faith whether and to what extent such a charge should apply.</u>		extent such a charge should apply.
23. Should AT&T be informed when SWBT introduces new test systems? Should they be allowed access to such systems?	Attachment 8 - Maintenance - Section 3.3.1	On page 57 of the Award the Commission states that SWBT must provide resold services, UNEs, ancillary functions, and interconnection "at least equal in quality to that which the incumbent LEC provides to itself" 47 C.F.R. Para. 51.311 (b). Proposed Section 3.3.1 allows AT&T the opportunity to negotiate with SWBT should new upgrades to existing test systems be developed.	<u>3.3.1 SWBT agrees to notify AT&T of upgrades to existing test systems and the deployment of new test systems within SWBT and to negotiate with AT&T to allow AT&T to use such systems through a controlled interface</u>	SWBT has always stated that AT&T will not have access to SWBT's legacy test system in order to test special circuits. SWBT will track all UNEs in the WFA system which will provide that all UNEs have a CLCI formatted circuit identification instead of keeping them in LMOS as SWBT does with POTS services. As explained previously, WFA is the superior system to LMOS for tracking UNEs because of the component nature of UNEs.	SWBT objects to the inclusion of AT&T's proposed language in 3.3.1.

Key: **Bold & underline represents language proposed by AT&T and opposed by SWBT.**

7/25/97

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Issue	Attachment and Sections	AT&T Reason why language should be included or excluded	AT&T Language	SWBT Reason why language should be included or excluded	SWBT Language
		SWBT must provide parity of systems; especially when those systems directly affect the quality of service provided to the end user. It is a reasonable, limited measure to provide some assurance that SWBT will not abandon a system that is less capable for an upgraded testing system, yet force AT&T to remain on the less capable test system. AT&T's request is reasonable and therefore, AT&T's language should be accepted.		Currently SWBT utilizes MLT to test POTS services. MLT is a module of the LMOS system and the two work together in order to properly test a POTS service. Since UNEs are not in LMOS, there is not an MLT interface to WFA and thus UNE services cannot be tested with MLT. Because of this, SWBT will not commit to work with AT&T on EB Phase II to provide test capabilities. Since SWBT does not have test capabilities, AT&T's language does not apply.	
24. AT&T: Should SWBT be required to provide notice of appointments that will be missed which affects the service provided to AT&T's customers? SWBT: Should SWBT be required to provide notice of appointments that will be missed which affects the service provided to AT&T's customers? Whether SWBT will inform AT&T of missed appointments for scheduled maintenance with	Attachment 8 - Maintenance - UNE, Section 8.4 Attachment 3: Maintenance Section 8.1.4	On page 12 of the award, the Commission ruled that that "An end user that chooses to switch LECs should not be penalized for that decision through delays, excess charges, or unnecessary inconvenience." The current Toolbar database of SWBT provides information as to appointments that are met; however, the database will not indicate to AT&T when an appointment will be missed. AT&T is requesting SWBT to notify AT&T when SWBT realizes that an appointment will not be met so that AT&T can provide its customers with that information. SWBT is able to let its own customers know when they are unable to meet a commitment and AT&T is requesting to have that same ability for its customers.	<u>8.4 SWBT will provide AT&T with information which will allow AT&T to inform its customers using the services covered by this attachment of missed appointments, within the same time frames that SWBT becomes aware that such appointments will be missed.</u> <u>8.1.4 SWBT will provide AT&T with information which will allow AT&T to inform its customers using the services covered by this attachment of missed appointments, within the same time frames that SWBT becomes aware that such appointments will be missed.</u>	While AT&T might claim that SWBT has this capability for its own customers, this is not the case. AT&T would certainly like this capability but it rests upon a faulty premise. SWB does not provide this capability for its own customers. SWBT's customer network administration database does not provide information as to when appointments will be met and/or missed by SWBT. SWBT has no electronic system in place to let its own customers know when it is unable to meet a commitment.	SWBT objects to the inclusion of AT&T's proposed language.

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7/25/97

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Issue	Attachment and Sections	AT&T Reason why language should be included or excluded	AT&T Language	SWBT Reason why language should be included or excluded	SWBT Language
AT&T end users.					
<p>25.</p> <p>AT&T: Lost Data: Whether the Parties should be liable for the amount of unbillable charges resulting from lost data.</p> <p>SWBT: Meet Point Billing – Is it appropriate to include this paragraph in Attachment 9 or is the matter adequately addressed elsewhere in the contract?</p>	<p>Attachment 9 - Billing, Section 11.5</p> <p>Attachment 10 - CUD, Sections 6.1, 6.1.1, 6.1.2, 6.1.3, 6.1.3.1, 6.1.3.2, and 6.1.3.3</p>	<p>On page 12 of the award, the Commission ruled that "An end user that chooses to switch LECs should not be penalized for that decision through delays, excess charges, or unnecessary inconvenience." SWBT's position that it is not responsible for lost data could raise the cost of competition by denying AT&T its rightful revenue.</p> <p>AT&T's position is that both parties have the responsibility for processing and delivering certain portions of MPB data. Should SWBT not provide AT&T with data in order to bill the IXC access charges, SWBT intends not to bill AT&T for the MPB. However, the potential revenue loss for AT&T is greater than MPB because of the lost access revenues AT&T would be unable to collect.</p> <p>In the access world today, SWBT estimates volumes of lost usage data and the appropriate cost to enable SWBT to collect moneys owed to them for access. However, when the circumstances are reversed, SWBT does not accept the liability and is refusing to allow any reconciliation process for those instances where usage data is lost. Therefore, the amount of lost revenue potential is great for AT&T if we are unable to bill our end users or to collect access for those calls completed on our network.</p>	<p><u>11.5 If MPB data is not processed and delivered by either SWBT or AT&T and in turn such Party is unable to bill the IXC for the appropriate charges, the Party who failed to deliver the data will be held liable to the other Party for the amount of the unbillable charges.</u></p> <p><u>6.1 Loss of Recorded Usage Data - If AT&T recorded Usage Data is determined to have been lost, damaged or destroyed as a result of an error or omission by SWBT and the data cannot be recovered by SWBT, SWBT will estimate the messages and associated revenue, with assistance from AT&T, based upon the method described below. This estimate will be used to adjust the amount AT&T owes SWBT for services SWBT provides in conjunction with the provision of recorded Usage Data.</u></p> <p><u>6.1.1 Partial Loss -</u> SWBT will review its daily controls to determine if data has been lost. When there has been a partial loss, actual message and minute volumes will be reported, if possible. <u>Where actual data are not available, a full day will be estimated for the recording entity, as outlined in Section 6.1.3 following. The amount of the partial loss is then determined by</u></p>	<p>Meet point billing is a process, not a billing vehicle in and of itself. MPB describes how companies will provide records to each other in a situation where joint facilities are provided to ensure the IXC is billed appropriately and consistently. Since MPB is not a billing vehicle in and of itself, AT&T's proposed language should not be included. AT&T inappropriately seeks a warranty or insurance protection that SWBT will provide meet point billing data. If AT&T wants such data it should obtain it under other provisions of the contract. Any costs of any warranty or other type of insurance protection sought by AT&T must in any event be borne by AT&T.</p>	<p>SWBT objects to the inclusion of AT&T's proposed language.</p>

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Issue	Attachment and Sections	AT&T Reason why language should be included or excluded	AT&T Language	SWBT Reason why language should be included or excluded	SWBT Language
		<p>Again, SWBT's assertion that payment for lost usage data is somehow part of a "service" does not hold true. SWBT is responsible for providing accurate usage data to AT&T. Without that data, AT&T cannot effectively compete and survive in the local market. AT&T does not ask for an elaborate "service"; it simply seeks accurate accounting, and provisions for situations where systems fail.</p> <p>In Attachment 24: Recording, which is a slightly modified version of the contract SWBT implements with ICO's today, SWBT proposed language in sections 4.2 and 4.4 which offers some estimation for lost usage. AT&T is requesting a very similar solution, consistent with traditional practices in the industry, and therefore, AT&T's language should be accepted.</p>	<p><u>subtracting the data actually recorded for such day from the estimated total for such day.</u></p> <p><u>6.1.2 Complete Loss - Estimated message and minute volumes for each loss consisting of an entire AMA tape or entire data volume due to its loss prior to or during processing, lost after receipt, degaussed before processing, receipt of a blank or unreadable tape, or lost for other causes, will be reported.</u></p> <p><u>6.1.3 Estimated Volumes - From message and minute volume reports for the entity experiencing the loss, SWBT will secure message/minute counts for the four (4) corresponding days of the weeks preceding that in which the loss occurred and compute an average of these volumes. SWBT will apply the appropriate average revenue per message ("arpm") provided by AT&T to the estimated message volume to arrive at the estimated lost revenue.</u></p> <p><u>Exceptions:</u></p> <p><u>6.1.3.1 If the day of loss is not a holiday but one (1) (or more) of the preceding corresponding days is a holiday, use additional preceding weeks in order to procure volumes for two (2) non holidays in the previous two (2)</u></p>		

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Issue	Attachment and Sections	AT&T Reason why language should be included or excluded	AT&T Language	SWBT Reason why language should be included or excluded	SWBT Language
			<p><u>weeks that correspond to the day of the week that is the day of the loss.</u></p> <p><u>6.1.3.2 If the loss occurs on a weekday that is a holiday (except Mother's Day or Christmas), SWBT will use volumes from the two (2) preceding Sundays.</u></p> <p><u>6.1.3.3 If the loss occurs on Mother's Day or Christmas, SWBT will use volumes from that day in the preceding year (if available).</u></p>		
<p>26.</p> <p>AT&T: CABS Billing: Whether billing for mutual compensation will be in accordance with the CABS billing system.</p> <p>SWBT: Should SWBT be required to adopt CABS standards when available or should SWBT have the discretion to utilize a CABS or CABS-like format?</p>	Attachment 9 - Billing, Section 12.2	<p>CABS billing is an implementation issue arising out of Issue 11, 1 (page 19 of the Award) and should be addressed by the Commission here.</p> <p>CABS is an approved methodology for billing mutual compensation and within the industry today, other companies and industry forums continue to support this methodology. As the industry moves in this direction, SWBT should work to implement CABS as soon as the OBF issues its final CABS release. AT&T requests that the parties mutually agree to the format by July 1, 1997, should there be no CABS standards.</p> <p>It is also important that billing be on the same cycle. All billing and usage data for each cycle should be provided to AT&T in a single</p>	<p><u>12.2 Billing for mutual compensation will be in accordance with a CABS format billing system to be implemented as soon as possible after the Ordering and Billing Forum (OBF) issues its final CABS release. To the extent that there are no CABS standards governing the formatting of certain data, such data will be issued in the CABS-like format mutually agreed by the Parties by July 1, 1997. All usage information will be presented to AT&T on a single transmission.</u></p>	<p>At present, intercompany compensation is not in a CABS-like format. The language proposed by SWBT is a reasonable compromise respecting the interests of both parties and should be adopted.</p>	<p>SWBT objects to the inclusion of AT&T's proposed language in 12.2.</p>

Key: **Bold & underline** represents language proposed by AT&T and opposed by SWBT.

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Bold represents language proposed by SWBT and opposed by AT&T.

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